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May 6, 2015

Andy Slavitt, Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health & Human Services
Room 445-G, Hubert H. Humphrey Building
200 Independence Avenue SW
Washington, D.C. 20201

Subject: Renewal of California's Five-Year Section 1115 Waiver: Medi-Cal 2020

Dear Administrator Slavitt:

The District Hospital Leadership Forum (DHLF), on behalf of California's 41 district and municipal hospitals (also known as nondesignated public hospitals or NDPHs), is pleased to support the application recently submitted by California for the 5-year Section 1115 Medi-Cal Waiver, Medi-Cal 2020.

California's NDPHs are a diverse group of hospitals located throughout California from San Diego to Modoc County. Some NDPHs are very small (three acute beds, for example) but provide vital community services, including emergency and long-term care. Other NDPHs are located in suburban/urban areas and are large (500 plus acute beds) but similarly provide necessary hospital services, such as teaching, trauma, comprehensive inpatient and outpatient services, for their communities. Two-thirds of these hospitals are located in rural California.

California proposes to build on the successes of the 2010 waiver, The Bridge to Reform, with a goal of expanding and improving the Medi-Cal program through delivery and payment system transformation. These improvements included in Medi-Cal 2020, include strengthening access to primary care; avoiding unnecessary hospitalizations, implementing integrated health care delivery systems and providing incentives for meeting the Triple Aim. The proposal also includes mechanisms to address social determinants of health and allows for innovative approaches to whole-person care.

The Medi-Cal 2020 proposal allows for continued delivery system transformation in California, and expands the program to more areas of the state by including public district/municipal hospitals. District and municipal hospitals are eager to coordinate with county/University of California (UC) hospitals for some projects and to learn from these hospitals' experiences as part of this program in the 2010 Waiver. Participating in the proposed system transformation will allow public district/municipal hospitals to bridge the gap between traditional health care and the health care system of the future based on each community's needs.

District/municipal hospitals agree with all stakeholders that health care systems must evolve to better meet the needs of patients, our communities, payers and other providers. Many district/municipal hospitals are planning systems and other transformative projects to determine the best way to continue to provide needed health care while improving population health and quality in the most cost-effective manner. Examples include expanding access to primary and specialty care, with an emphasis by many NDPHs on behavioral health, implementing and expanding the use of medical homes, implementing or expanding care coordination and population health projects and those related to patient safety.

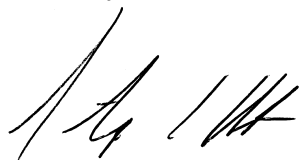
California's 2010 Section 1115 waiver was essential in supporting California's successful implementation of the Affordable Care Act (ACA). California successfully transitioned approximately 650,000 individuals into the Medi-Cal program through its innovative Low Income Health Program and district/municipal hospitals partnered with several counties to ensure this program provided coverage to low-income Californians in some areas (primarily rural) of the state not served by county/UC hospitals.

The Centers for Medicare & Medicaid Services' (CMS) approval of the Medi-Cal 2020 waiver is critical as it provides continuing levels of federal funding for designated public hospitals, vital in serving California's most vulnerable populations. Similarly, this proposed waiver is significantly important for the state's non-designated public hospitals, which serve many low-income Californians and due to challenges related to location and other issues, need the assistance to appropriately begin the transformation process to better meet the needs of their patients and residents.

The DHLF strongly supports the approval of California's Medi-Cal 2020 proposal and we look forward to working with CMS and other stakeholders regarding any clarifications specific to district/municipal hospitals' participation.

California's district/municipal hospitals appreciate the opportunity provided by the California Department of Health Care Services to work together with them and a varied group of stakeholders as the proposal was crafted. Further, we appreciate DHCS' ongoing commitment and efforts to the Medi-Cal program to the benefit of all Californians and the state's health care system.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stephen C. Clark', with a stylized flourish at the end.

Stephen C. Clark
Executive Director

cc: Diana Dooley, Secretary, California Health and Human Services Agency
Jennifer Kent, Director, California Department of Health Care Services
Mari Cantwell, Chief Deputy Director, Health Care Programs, California Department of Health Care Services